Treasury Board of Canada Secretariat

2010–11

Departmental Performance Report

Original signed by

The Honourable Tony Clement
President of the Treasury Board

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President's Message

I am pleased to present the *2010–11 Departmental Performance Report* of the Treasury Board of Canada Secretariat.

Last year, the Secretariat continued its efforts to modernize the management of the government while reducing government expenditures.

The Secretariat continued to contribute to Canada's Economic Action Plan by leading Budget 2010 initiatives to balance the budget by 2014–15, including a freeze on the government's operating budget and a directive to reduce government travel, hospitality and conferences costs. In addition, to increase transparency in government spending, the Secretariat made the transition to quarterly financial reporting to Parliament. Going forward, the Secretariat will lead the government-wide review that is intended to find $4 billion in annual savings.

Other activities led by the Secretariat include:

- Fostering innovation and risk management across the public service;
- Supporting the work of the Red Tape Reduction Commission to reduce irritants that stem from federal regulatory requirements; and
- Launching the Open Government initiative to increase access to public information and make it easier for Canadians to provide their views on government activities.

These efforts to modernize the public service and reduce spending are aimed at making government more efficient and putting tax dollars to work where they matter most—growing the economy and creating jobs.

The Treasury Board of Canada Secretariat continues to be driven by its vision of "better government, with partners, for Canadians." I invite you to read this report to see the progress that the Secretariat is making toward this goal.

Original signed by

The Honourable Tony Clement
President of the Treasury Board

Section I: Organizational Overview

Raison d'être

The Treasury Board of Canada Secretariat (the Secretariat) is the administrative arm of the Treasury Board. It supports Treasury Board ministers and strengthens the way government is managed to ensure value for money in government spending and results for Canadians.

Responsibilities

The Secretariat makes recommendations and supports the Treasury Board in each of its roles (see text box "Treasury Board Roles") by providing advice on policies, directives, regulations and program spending to promote sound management of government resources. The Secretariat also provides leadership and guidance on management functions within departments and agencies, while respecting the primary responsibility of deputy heads[1] in managing their organizations and their roles as accounting officers to Parliament.

Within the Secretariat, the Comptroller General of Canada provides government-wide leadership, direction, oversight and capacity building for financial management, internal audit, and acquired services and assets management. The Chief Human Resources Officer leads people management across the core public administration[1] by developing workplace and workforce policies and programs; centrally managing labour relations, compensation, and pension and benefit plans; and developing executive leadership. The Chief Information Officer provides government-wide strategic direction and leadership for information

Treasury Board Roles

The Treasury Board is a Cabinet committee of ministers that was established in 1867 to oversee the government's financial, human resources and administrative responsibilities, and establish policies that govern each of these areas. In addition, the Prime Minister has designated the Treasury Board to act as the committee of the Queen's Privy Council with respect to the consideration and approval of regulations and most Orders in Council. The Treasury Board, as the Management Board for the government, has three principle roles:

- It acts as the government's **Management Office** by promoting improved management performance and approving policies to support the prudent and effective management of the government's assets and financial, information and technology resources.
- It acts as the government's **Budget Office** by examining and approving the proposed spending plans of government departments and reviewing the development of approved programs.
- It acts as the human resources office and employer or **People Management Office** by managing compensation and setting people management policies, including determining the terms and conditions of employment, to ensure coherence and consistency where needed.

1. For a definition of a deputy head see the *Public Service Employment Act*, section 2(1) at http://laws-lois.justice.gc.ca/eng/acts/P-33.01/page-1.html#h-2.

management (IM) and information technology (IT), including identity management, security, and access to information and privacy.

The Treasury Board Portfolio consists of the Secretariat and the Canada School of Public Service. The Public Service Pension Investment Board, the Office of the Commissioner of Lobbying of Canada and the Office of the Public Sector Integrity Commissioner of Canada are arm's length organizations that report to Parliament through the President of the Treasury Board.

The Secretariat is guided by the vision, *Better government: with partners, for Canadians*. When working with federal departments, agencies and Crown corporations, the Secretariat plays three central agency roles:

- An enabling role to help organizations improve management performance;
- An oversight role that includes developing policies and standards, and reporting on the government's overall management and budgetary performance; and
- A leadership role in driving and modelling excellence in public sector management.

In recent years, through legislation such as the *Federal Accountability Act* as well as through the renewal of the Treasury Board policy suite, greater emphasis has been placed on the Secretariat's enabling role—helping deputy heads maximize their flexibility to achieve management excellence within their organizations.

The following diagram depicts how the Secretariat works with organizations to fulfill its three central agency roles and how it supports the Treasury Board.

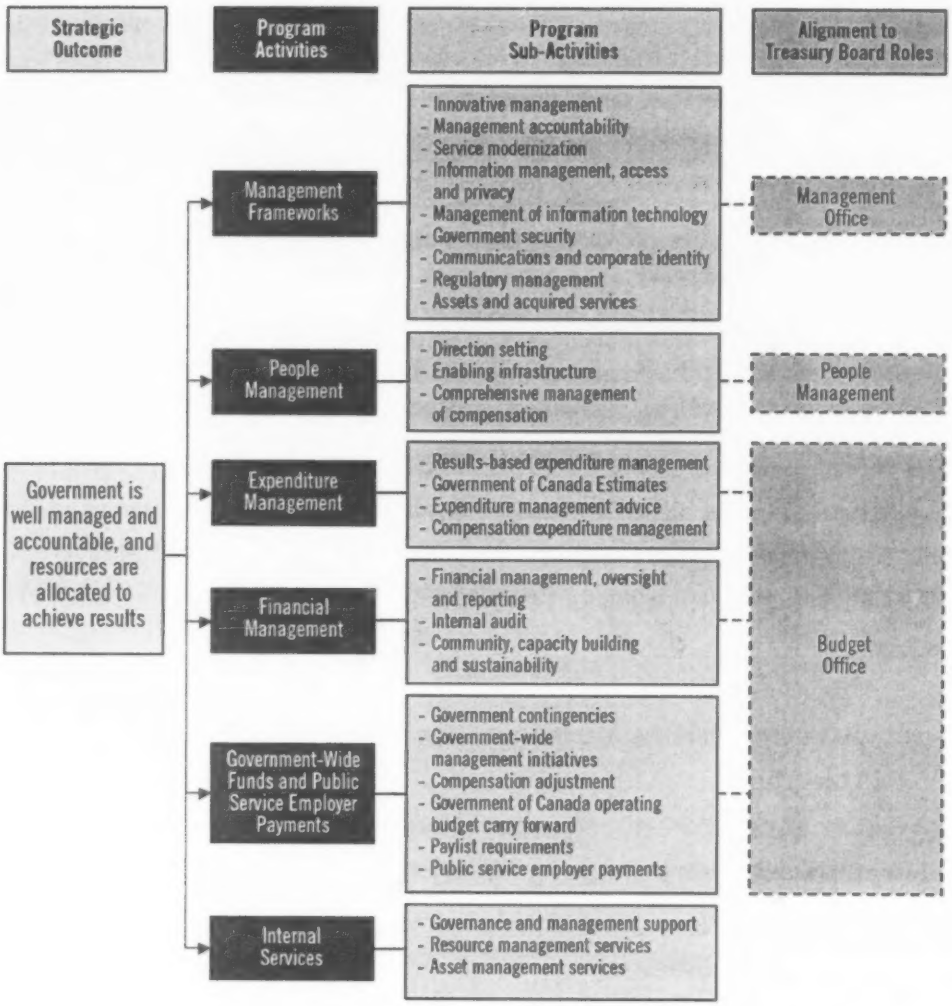
Our Vision

Better government: with partners, for Canadians

Strategic Outcome and Program Activity Architecture (PAA)

The following diagram outlines all the Secretariat's program activities that contribute to the achievement of its strategic outcome. The program activities collectively make up the Secretariat's Program Activity Architecture. The diagram also aligns the program activities of the Secretariat with the three main roles of the Treasury Board. The Secretariat's strategic outcome and each of its program activities are presented in greater detail in Section II.

2010–11 Program Activity Architecture[2]



2. For program sub-sub-activity levels, see the 2010–11 PAA diagram on the Secretariat's website at http://www.tbs-sct.gc.ca/tbs-sct/abu-ans/tbs-sct/paa-aap-eng.pdf.

Year in Review

The following provides an overview of the Secretariat's key accomplishments this year and the operating environment in which they were carried out. Further detail on the Secretariat's accomplishments and lessons learned can be found in Section I: Organizational Overview under "Organizational Priorities" and "Risk Analysis," and in Section II: Analysis of Program Activities by Strategic Outcome.

Operating environment

Even though Canada emerged from the global economic downturn ahead of other G7 countries, 2010–11 was marked by ongoing economic uncertainty. The government remained focused on securing Canada's still fragile recovery by delivering the second year of economic stimulus through Canada's Economic Action Plan (EAP).

At the same time, the government began to shift its attention toward cost containment, its goal being to return to a balanced budget in the medium term. Budget 2010 contained important measures such as freezing departmental operating budgets and maintaining the cap on departmental spending on travel, hospitality and conferences announced in Budget 2009. The government also tightened the objective of Strategic Reviews in order to eliminate reinvestment proposals and harvest 5 per cent in "hard" savings from departments and agencies subject to the 2010–11 review.

Balancing the impacts of both an aging workforce moving to retirement and the needs of new or recently recruited public service employees continued to be a priority for the core public administration. The government continued to modernize its approach to people management and renewing the workforce so that it will have the skills and capacity to deliver quality programs and services to Canadians over the long term. It also continued to strengthen the tools for deputy heads to fulfill their obligations relating to people management.

The need for increased efficiency, along with demographic pressures, is challenging government to rethink how it delivers programs and services. This includes looking at ways to reduce administrative overhead and costs, consolidate internal and external services, and standardize government business processes and technologies. The Administrative Services Review, announced in Budget 2010 and led by the Privy Council Office, is a key initiative to identify opportunities for additional savings and improved service delivery.

Reducing the administrative burden on business that is created through regulatory compliance and reporting requirements also continued to be an important issue. Budget 2010 established the Red Tape Reduction Commission to identify areas where reform is most needed and to provide recommendations to the government for improvement.

Canada's Economic Action Plan—Year two

As the EAP entered its second year, the Secretariat continued to provide guidance to departments and agencies and advice to Treasury Board ministers to support timely funding approvals, while ensuring due diligence. It also implemented year two of the EAP youth employment initiative, which created over 1,100 additional jobs for students through existing public service student programs.

The Secretariat provided support for reporting on EAP initiatives to Canadians, led by the Department of Finance Canada, by collecting financial and non-financial information from departments and agencies. Overall, the Secretariat's advice and guidance to organizations was instrumental in their implementation of the EAP. In its effort to accelerate the provision of advice on EAP projects, the Secretariat proactively engaged external authorities such as the Office of the Auditor General of Canada in designing and implementing its processes and procedures so that due diligence would be maintained. This careful attention to due diligence contributed directly to the successful outcome of the Auditor General's first audit in 2010 of the EAP.[ii]

Cost containment

The Secretariat completed the fourth round of Strategic Reviews[3] for 13 organizations covering approximately $35 billion in direct program spending. This identified savings of close to $1.6 billion in 2013–14, amounting to 4.9 per cent of the review base on an ongoing basis for reallocation to higher government priorities. This round marks the end of the four-year cycle of Strategic Reviews, which covered 67 organizations (i.e., roughly 98 per cent of direct program spending) and will result in approximately $2.8 billion in annual ongoing savings by 2013–14.

Significant progress was made this year to control the cost of government in line with the expenditure restraint measures set out in Budget 2010. The Secretariat led cost containment across the federal government through the ongoing implementation of the operating budget freeze. This included issuing a directive for spending on travel, hospitality and conferences.

The Secretariat itself underwent a Strategic Review in 2010 to assess its spending and ensure that its activities are aligned with government priorities and are achieving their intended results. The Secretariat identified ways to increase the efficiency and effectiveness of its operations and identified savings representing 6 per cent of its budget. This exceeded the review target of 5 per cent. Implementation of the results of the review will take place over a three-year period.

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3. Details on the Strategic Reviews can be found in Budget 2010, Annex 1: Responsible Spending (June 6, 2011), at http://www.budget.gc.ca/2011/plan/anx1-eng.html.

The Secretariat also strengthened its internal and corporate services by introducing three-year integrated planning processes (including financial, human resources (HR), IM and IT, and business continuity planning) that helped develop a three-year budget plan, renew internal HR policies and create a new internal IT strategy. These integrated processes enabled the Secretariat to better forecast and manage its budget this year.

Sound financial management

The Secretariat strengthened financial management within the federal government by releasing the *Policy on Financial Resource Management, Information and Reporting*[iii] and the supporting *Standard on Quarterly Financial Reports for Crown Corporations*.[iv] As a result, departments, agencies and Crown corporations are expected to produce their first quarterly financial reports in August 2011. This will provide more detailed and timely information for Canadians and parliamentarians, and improve the transparency of financial management in the public service.

Modernizing people management

Building on previous work to strengthen HR management, the Secretariat implemented a new *Policy Framework for People Management*. The framework clarifies the roles and responsibilities of the Secretariat, deputy heads and other parties within the HR community in shaping people management. Numerous tools were launched to support deputy heads in this capacity, including the Common Human Resources Business Process, supporting HR information systems, the Public Service Management Dashboard and a new electronic talent management system for executives. These services are enabling the systematic sharing of HR data, the identification of demographic trends and the improvement of succession planning. They are bringing overall improvements to people management across government based on common processes and requirements.

Employee Innovation Pilot Program

The Secretariat is one of several departments participating in a two-year pilot Employee Innovation Program. The program encourages employees to identify creative ways to save money through increased efficiency. Employees whose proposals are adopted will be given an award in recognition of their innovations.

The Secretariat participated as one of the review partners in the five-year statutory review of the *Public Service Modernization Act*, which was led by the Privy Council Office. The final report is expected to be tabled in Parliament in 2011–12. In addition, the Secretariat led the proactive engagement of bargaining agents to conclude new collective agreements based on a compensation strategy that supports cost containment, improves predictability and better aligns government compensation with the Canadian marketplace. For example, the accumulation of severance pay benefits for retirement and resignation will cease for five collective agreements signed during the year. This will provide wage stability and predictability for three years of the duration of the operating budget freeze.

The Secretariat also signed a new contract for the administration of the Public Service Health Care Plan. The agreement included a new direct payment drug card for plan members that allows for immediate reimbursement of covered benefits, while helping to contain future plan costs and leveraging industry best practices.

Cutting red tape

The Secretariat continued to make progress on eliminating duplication and reducing the administrative burden associated with government rules and processes. For example, the Management Accountability Framework[v] (MAF)—a tool used across the federal government to support the management accountability of deputy heads and improve management practices—was streamlined to focus on core areas of management, reducing the areas assessed from 19 to 15. These changes lowered the reporting burden and documentation submitted by departments and agencies this year by a further 9 per cent, for a total cumulative reduction in the number of documents submitted of 74 per cent over three years. As part of an initiative to reduce the "web of rules" within government, the Secretariat engaged 39 departments and agencies in the development of action plans that identified a number of additional commitments to streamline their internal processes.

The Secretariat also provided support for the Red Tape Reduction Commission, which will provide advice on addressing the regulatory compliance burden that irritates businesses and hinders innovation and competitiveness. The Commission will also recommend lasting reforms to prevent red tape from creeping back once it has been reduced.

Modernizing government processes

The Secretariat made important progress this year on initiatives for modernizing government back-office functions, which will help the government implement the results of the Administrative Services Review. For example, work was initiated on a strategy for increasing the interoperability and security of financial and IT systems across federal organizations. The Secretariat also engaged with departments and agencies to improve planning for the renewal of aging IT infrastructure.

Embedding the Secretariat's enabling role

This year the Secretariat developed a new vision to provide a renewed sense of purpose to its own employees as enablers of departments and agencies. To strengthen its enabling role as a central agency, the Secretariat conducted two surveys, one with deputy heads and one with employees, to test how well it has embedded the enabler role in its day-to-day operations. The results of the deputy head survey demonstrated a high degree of satisfaction from departments and agencies on progress to date. The surveys also identified key areas where the Secretariat could focus its efforts and further improve, including greater use of risk-based approaches and

more consistency in interactions and increased information sharing with departments and agencies.

Additional Accomplishments

In addition to the achievements that have been described, the Secretariat also responded to a number of unanticipated opportunities and challenges to support emerging government priorities, as well as ensure the integrity of the Secretariat's operations. The following highlights those accomplishments.

The Secretariat undertook a number of initiatives to increase access to government information. It piloted an open data portal,[vi] making over 260,000 government data sets available to the public to meet an increasing demand for information. It also developed standards to ensure that Government of Canada websites are usable and accessible to the public, which will be launched in 2011. It continued to support new ways to manage and share knowledge within government, including the use of GCPEDIA, an internal Web-based collaborative tool (i.e., a wiki) where public service employees can upload and edit information.

The Secretariat provided support for the establishment of the United States–Canada Regulatory Cooperation Council, following a joint announcement by the governments of both countries in February 2011. The Council brings together senior regulatory, trade and foreign affairs officials with a two-year mandate to work together to promote economic growth, job creation, and benefits to consumers and businesses through increased regulatory transparency and coordination.

The unanticipated dissolution of Parliament on March 26, 2011, precluded the opportunity for Parliament to vote on supply for the 2010–11 Supplementary Estimates C, which represented about $920 million in budgetary expenditures. In response, the Secretariat sought authorities from the Treasury Board to provide for the most effective use of funds available in Treasury Board central votes and departmental reference levels. By working closely with departments, it was possible to identify all critical year-end requirements and to address them with existing appropriations, as well as to defer the use of Governor General Special Warrants until the following fiscal year.

The Secretariat also responded to unexpected challenges when its IT systems were targeted in a cyber attack. Through an immediate and focused response, the Secretariat was able to stop the attack and secure its network. It then began implementing a plan to strengthen its IT security for the long term, including accelerating existing plans to upgrade its data storage capacity and facilities (see "Risk Analysis").

Organizational Priorities

The Secretariat identified five priorities for 2010–11 in areas where it expected to make significant progress during the fiscal year. Key accomplishments for each priority are presented here. A performance status is assigned to the results of each priority based on the following criteria:

Performance/Priority Status Legend

Exceeded: More than 100 per cent of the expected level of performance (as evidenced by the indicator and target or planned activities and outputs) for the expected result or priority identified in the corresponding Report on Plans and Priorities (RPP) was achieved during the fiscal year.

Met all: 100 per cent of the expected level of performance (as evidenced by the indicator and target or planned activities and outputs) for the expected result or priority identified in the corresponding RPP was achieved during the fiscal year.

Mostly met: 80 to 99 per cent of the expected level of performance (as evidenced by the indicator and target or planned activities and outputs) for the expected result or priority identified in the corresponding RPP was achieved during the fiscal year.

Somewhat met: 60 to 79 per cent of the expected level of performance (as evidenced by the indicator and target or planned activities and outputs) for the expected result or priority identified in the corresponding RPP was achieved during the fiscal year.

Not met: Less than 60 per cent of the expected level of performance (as evidenced by the indicator and target or planned activities and outputs) for the expected result or priority identified in the corresponding RPP was achieved during the fiscal year.

Priority	Type[4]	Program Activity
Priority 1: Management regime operates effectively, provides opportunities for risk-based decision making, and enables innovation. (RPP Operational Priority 1)	Ongoing	Management Frameworks
Status: Mostly met		

The Secretariat advanced this priority through three key initiatives:

i) Web of Rules initiative,[vii] including Policy Suite Renewal[viii]

Status: Met all

The Secretariat continued to improve the efficiency and effectiveness of government operations by further streamlining rules, simplifying reporting requirements, consolidating business processes and infrastructure, and modernizing internal management practices. In particular, the Secretariat:

- Solicited commitments from 39 departments and agencies to simplify their rules and processes, bringing the cumulative number of government-wide commitments to over 120 in three years.
- Advanced the renewal of the Treasury Board policy suite through the approval of 7 policy instruments and the rescission of 2, which contributed to the target of reducing the overall Treasury Board policy suite by 48 per cent. These efforts have reduced the anticipated number of policies from 44 to 37. In addition, work began to develop a policy implementation maturity model that will facilitate departmental implementation of Treasury Board policies.
- In response to the five-year evaluation of MAF, the Secretariat streamlined its assessment process and reduced the number of areas of management assessed from 19 to 15. These changes lowered the reporting burden and documentation submitted by departments and agencies this year by a further 9 per cent, for a total cumulative reduction in the number of documents submitted of 74 per cent over three years. This reduction was achieved by better targeting Secretariat information requests, reducing multiple demands to departments and agencies for the same documents and using triennial reporting for certain areas.

4. "Type" is categorized as follows: **Previously committed to**—committed to in the first or second fiscal year before the subject year of the report; **Ongoing**—committed to at least three fiscal years before the subject year of the report; and **New**—newly committed to in the reporting year of the Departmental Performance Report.

ii) Risk management

Status: Met all

The Secretariat continued to provide leadership and advice on approaches to risk management across government so that organizations are able to improve their management decisions based on a thorough understanding of the risks they face. In particular, this year the Secretariat:

- Completed and brought into effect the *Framework for the Management of Risk*, which is a government-wide internationally recognized approach to risk management that is principles-based and can be tailored to the needs of departments and agencies.
- Developed resources to support the successful implementation of the new framework, including a Risk Management Capability Model and guides on Corporate Risk Profiles and risk management for deputy heads.
- Facilitated three forums on risk management, which each assembled over 200 practitioners from 50 government organizations to share lessons learned and build risk capacity.
- Used Web 2.0 tools such as GCPEDIA and GCForums to build and strengthen risk management communities of practice within the federal government.
- Worked with the Canada School of Public Service to update the core risk management curriculum for the public service and piloted an academic risk management course in partnership with Dalhousie University.
- Developed a risk assessment guide in consultation with federal departments and agencies to support the development of regulatory proposals.

iii) Enterprise-wide governance for core business processes and systems

Status: Mostly met

Following the announcement of the Administrative Services Review in Budget 2010, the Secretariat expanded the scope of this priority as identified in its *2010–11 Report on Plans and Priorities*. Through research and analysis, the Secretariat explored strategic government-wide approaches in the areas of IM, IT, HR and finance to improve internal and external service delivery. This year, the Secretariat:

- Established a new standard for people management through the deputy heads' endorsement of the Common Human Resources Business Process. The process will be fully implemented by 2013–14.

- Led the creation of a pilot project for five departments and agencies to share a single IT application of the Common Human Resources Business Process to increase efficiency in people management. Five departments and agencies contributed resources and, while preparatory activities are well advanced, project implementation is contingent upon receiving required funding and authority from Treasury Board; the submission was deferred pending the completion of Phase 1 of the Administrative Services Review (ASR), which confirmed that the objectives and overall project approach were aligned with ASR.
- Established the Interoperability Centre of Excellence to develop ways to standardize technology projects to enable departments and agencies to share information and leverage existing or planned projects.
- Completed a major strategic study of all Government of Canada data centres that assessed the feasibility of consolidating over 300 data facilities and of outsourcing related services. This study provided significant input to the business case for a data centre consolidation initiative under the Administrative Services Review. The Secretariat also facilitated the joint procurement of an outsourced data centre to be shared by Public Works and Government Services Canada, the Canada Revenue Agency and the Bank of Canada to provide relief for aging data centres in the National Capital area.
- Completed the very first inventory of IT applications systems across government in response to the Auditor General of Canada's report on aging IT. The inventory identified over 16,000 Government of Canada systems, critical and other, in order to assess the degree of obsolescence and inform the government's future strategy for the renewal of its application portfolio and systems.
- Established a new IT Costing Services Profile to be implemented by all departments and agencies, which will facilitate the reporting of all IT-related costs according to standard IT cost components for assets, services and personnel. The new model will facilitate the analysis and comparison of expenditures in IT across the Government of Canada and support the development of business cases under the Administrative Services Review.
- Made significant progress on the definition of core financial and materials management business processes, which will serve to position the Government of Canada for the subsequent adoption and implementation of a standard departmental chart of accounts. These new processes will also enable the standardization of financial systems in support of robust, common processes across the government.
- Established a shared services liaison to work with small departments and agencies to identify common business requirements and solutions. It also advanced the Human Resources Information System, which will become the new HR system for small departments and agencies.

Priority	Type	Program Activities
Priority 2: Program spending is focused on results, provides value for taxpayers' money, and is aligned with the government's priorities and responsibilities. (RPP Operational Priority 2)	Ongoing	Expenditure Management and Financial Management
Status: Met all		

The Secretariat advanced this priority through two key initiatives:

i) Enhanced departmental financial reporting

Status: Met all

The Secretariat implemented the *Policy on Financial Resource Management, Information, and Reporting* and the supporting *Standard on Quarterly Financial Reports for Crown Corporations* to strengthen financial oversight and accountability across government. A considerable part of this work involved assisting departments and agencies in the transition to quarterly financial reporting beginning in fiscal year 2011–12, sustaining a controls-based audit of their financial statements and implementing relevant Treasury Board accounting standards to support the new policy. In particular, the Secretariat:

- Collaborated with departments and agencies to develop illustrative models of quarterly financial reports, as well as frequently asked questions to support implementation of the new requirements. The Secretariat also reviewed drafts of organizations' quarterly financial reports and provided feedback.

ii) Strategic Reviews—Round IV

Status: Met all

The Secretariat continued to lead the Strategic Reviews of federal organizations' direct program spending. Its objective was to identify the lowest priority and the lowest performing programs to free up at least 5 per cent of funding for higher government priorities. This year, the Secretariat:

- Reviewed 13 organizations, completing a four-year cycle of Strategic Reviews that covered 67 organizations and approximately 98 per cent of direct program spending (see "Year in Review" in Section I and "Program Activity 3: Expenditure Management" in Section II).
- Reported the results of the fourth round of Strategic Reviews in the federal budget of March 22, 2011, which did not pass due to the dissolution of Parliament. The results of the three earlier Strategic Reviews were included in the three preceding budgets.
- Conducted analysis and provided advice to government on approaches for future spending reviews.

Priority	Type	Program Activities
Priority 3: A dynamic public service that is well equipped to address, in a fiscally responsible manner, challenges raised by a complex and unpredictable environment. (RPP Operational Priority 3)	Ongoing	People Management and Expenditure Management
Status: Met all		

The Secretariat advanced this priority through two key initiatives:

i) New people management policy framework and governance structure

Status: Met all

The Secretariat continued to focus on building a culture of excellence among public service employees in areas such as leadership, values and ethics, and workforce and workplace following the recommendations of the 2008 Human Resources Agency Horizontal Strategic Review. The Secretariat:

- Made progress on standardizing people management across the core public administration through the Common Human Resources Business Process and by creating and bringing into effect the new *Policy Framework for People Management*. The new framework provides the foundation for an integrated approach to policy and governance, and clarifies the roles and responsibilities of the Secretariat, deputy heads and other parties for people management. Progress was also made in reviewing the people management suite of policy instruments; this will lead to a number of instruments being renewed, replaced or rescinded.
- Continued to implement the review of the Occupational Group Structure. This is a multi-year exercise to improve workforce organization and classification, and modernize the way work is defined within the core public administration. The new work models will enable better HR planning. Consultations were completed for the Program and Administrative Services occupational group, and a new occupational group for Law Management was established.
- Achieved a milestone by introducing the Executive Talent Management System (ETMS) in 2010–11. For the first time, senior federal government executives completed their Talent Management Questionnaires through a secure online database that enables greater efficiency in collecting, accessing and analyzing information on the government's senior executive population. ETMS was populated with data from 334 senior executives, representing 54 organizations.

ii) HR legislative requirements

Status: Met all

The Secretariat is responsible for a number of legislated activities including monitoring and reporting progress on the state of people management in the public service to the President of the Treasury Board. In support of these roles, the Secretariat:

- Consulted with stakeholders and continued to develop policy directions for regulations required to bring into force the *Public Sector Equitable Compensation Act*. A website is being developed to facilitate further rounds of consultation.
- Participated as part of an interdepartmental review team in the five-year statutory review of the *Public Service Modernization Act*, led by the Privy Council Office. For its part, the Secretariat provided the review team with research and analysis. The Secretariat will consider and address the results of this legislative review upon its tabling in Parliament in 2011–12.

Priority	Type	Strategic Outcome
Priority 4: Embed the role of enabler into the Secretariat's business. (RPP Management Priority 1)	Ongoing	Government is well managed and accountable, and resources are allocated to achieve results.
Status: Met all		

The Secretariat has been placing greater emphasis on its enabling role by improving support to deputy heads and simplifying its challenge and oversight functions to promote greater management flexibility and accountability. The Secretariat advanced this priority through four initiatives:

i) Strengthened engagement with departments and agencies through outreach activities and sharing best practices

Status: Met all

The Secretariat:

- Promoted the use of Web 2.0 collaborative tools and facilitated working groups to support a whole-of-government approach to Web 2.0 strategy and common IT solutions.
- Created a Government of Canada forum for internal auditors and held a series of audit workshops.
- Supported the government's official languages community by facilitating, for example, six meetings of advisory committees responsible for the 200 institutions covered by the *Official Languages Act*, an annual conference of official languages champions, a best practices forum for over 300 participants and information sessions on social media and official languages for over 150 participants.
- Released in June 2010 the *Guide to Real Property Management: Aboriginal Context*. The Guide outlines best practices for consulting with Aboriginal groups throughout the life cycle of an organization's property, including the disposal process. It provides useful links to Treasury Board policy instruments, to Aboriginal treaty-based documents and to federal guidance on the Crown's legal obligations to consult and accommodate Aboriginal groups.
- Developed and hosted the first annual Corporate Secretary Workshop for Crown corporations to facilitate information sharing on governance issues and relevant tools, thereby promoting effective board management in Crown corporations.
- Coordinated the Department of Foreign Affairs and International Trade information sessions and liaison activities for Crown corporations to support ongoing Canada–European Union Comprehensive Economic and Trade Agreement negotiations.

- Worked with departments and agencies to send 514 submissions to the Treasury Board for approval.
- Shared toolkits for managers and employees on "Becoming a Better Enabler" on the Secretariat's intranet. Departmental success stories were circulated regularly through the Secretariat's newsletter.
- Conducted two surveys to assess how well employees perceive themselves to be demonstrating enabling behaviours and how the Secretariat is performing as an enabling organization (see "Embedding the Secretariat's enabling role" in Section I).

ii) Identified new opportunities to support departments and agencies in meeting their management objectives

Status: Met all

The Secretariat:

- Conducted MAF assessments and provided advice to departments and agencies to help strengthen their management performance.
- Launched the Public Service Management Dashboard to better enable decision making in people management across departments and agencies.
- Enhanced government-wide sharing of effective evaluation practices by regularly engaging with departmental heads of evaluation and by leading interdepartmental working groups in developing guidance on tailored evaluation approaches.
- Developed guidance on the use of Web 2.0 tools and services in collaboration with Government of Canada partners. This guidance will be issued to departments and agencies in 2011.
- Created a Green IT Maturity Scorecard—a questionnaire that enables departments and agencies to self-assess their progress in reducing the environmental impact of their IT operations and to achieve energy and cost savings.
- Completed a successful pilot for a shared Electronic Document and Records Management System for the Government of Canada. This harmonized information management system is in development for a 2011 launch.
- Developed a new Capital Budget Carry Forward regime that will include an increased capital carry-forward allowance and the creation of a new central vote. This promotes better capital project management by giving departments and agencies more predictability and flexibility in budgeting and project schedules.

- Developed an approach and obtained interdepartmental endorsement to transition to risk- and capacity-based transaction approval limits to assist in the effective management of federal real property.
- Developed the *Indemnification and Advances Regulations for Directors and Officers of Crown Corporations* to clarify the process for requests for indemnification or advances under the *Financial Administration Act*. The regulations are enhancing the ability of Crown corporations to attract experienced individuals as directors and officers, and to eliminate or reduce their purchase of private director and officer liability insurance. This promotes a more efficient use of public funds.

iii) Ensured that in-house training and orientation sessions for Secretariat employees focus on the enabling role of the Secretariat

Status: Met all

The Secretariat:

- Offered eight orientation "boot camps" in 2010–11 that included sections on the enabler role. Over 380 employees attended, an increase from 318 in 2009–10.
- Engaged employees in a series of workshops on sustainable development in the workplace. The results will be presented to senior management in 2011.
- Developed and implemented the TBS Survival Guide, an orientation package for all new employees that explains the basics of the Treasury Board and the Secretariat's enabling role.

Priority	Type	Strategic Outcome
Priority 5: Strengthen risk management capacity and adopt risk-based approaches in daily business. (RPP Management Priority 2)	Ongoing	Government is well managed and accountable, and resources are allocated to achieve results.
Status: Mostly met		

The Secretariat advanced this priority through three initiatives:

i) Aligned risk management practices across the Secretariat to ensure an integrated approach

Status: Met all

The Secretariat:

- Increased its capacity by providing guidance to employees on newly developed risk management tools and by promoting them through the Secretariat's internal management committees (see Priority 1, initiative ii, for details).
- Developed and implemented a risk-based approach for Treasury Board submissions to reduce the paperwork associated with low-risk cases.

ii) Communicated risk management approaches to Secretariat employees

Status: Met all

- The Secretariat held regular Risk Management Community of Practice meetings to share risk management information and obtain advice on tools and guidance documents.

iii) Used a risk-based business continuity planning approach to bolster the Secretariat's capacity to support delivery of critical government services

Status: Mostly met

- A corporate-level business continuity plan was finalized that describes roles and responsibilities for the Secretariat in the event that an emergency incident arises. It will be tested in 2011–12 to ensure that it facilitates delivering critical operations during an emergency. In addition, each sector of the Secretariat began developing individual business continuity plans to further strengthen service delivery during business interruptions.

Risk Analysis

The Secretariat actively monitors its operating environment in order to identify and manage risks that could affect progress toward its strategic outcome (see "Operating environment" under "Year in Review"). Key risks are captured in the Secretariat's Corporate Risk Profile, which is updated at least once per year. In 2010–11, the Secretariat identified eight risks in its Corporate Risk Profile and made significant progress in eliminating two that were highlighted in its *2010–11 Report on Plans and Priorities.*[ix]

The first of these was the risk of not having sufficient staff to meet operational requirements. The Secretariat addressed this by strengthening recruitment, development and talent management practices. It implemented the first year of a three-year recruitment and staffing strategy and a three-year integrated HR and business plan, and continues to monitor capacity through an annual integrated business planning process.

The second was the risk that the Secretariat would not successfully integrate all aspects of its new organization. This was mitigated by achieving greater organizational cohesion through successful transition processes, including the move of corporate services functions from the Department of Finance Canada to the Secretariat and progress on the integration of the Office of the Chief Human Resources Officer (OCHRO), which was created within the Secretariat in 2009–10. These successful transitions were enabled by an internal change management agenda, the engagement of all Secretariat employees in renewing the departmental vision and mission, and the strengthening of governance committees.

The Secretariat also faced challenges related to operational risks. The risk that IM and IT security measures may be inadequate was realized following a cyber attack on the Secretariat. The Secretariat responded immediately by introducing measures to secure its network (e.g., limiting Internet access at all workstations) and began implementing a plan to strengthen its IT security for the long term. This included accelerating the Secretariat's plans to upgrade data storage capacity and facilities. These departmental risks relate to the Internal Services program activity (see "Program Activity 6: Internal Services" in Section II).

Summary of Performance

2010–11 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
2,490,075	3,063,322	2,253,980

The Secretariat spent approximately $2.3 billion in 2010–11. Most of the variance between planned spending, total authorities and actual spending can be attributed to the requirement to report the central government-wide funds of $809 million that remained unallocated at year-end under total authorities. (For more details, please refer to the "Expenditure profile" section.)

2010–11 Human Resources (full-time equivalents—FTEs)

Planned	Actual	Difference
2,113	2,160	47

Actual FTEs exceeded planned FTEs mainly due to new initiatives that were approved subsequent to the Main Estimates, such as litigation management and management of the classification program for the core public administration.

Strategic Outcome: Government is well managed and accountable, and resources are allocated to achieve results.

Performance Indicators	Targets	2010–11 Performance
Canada's ranking in The World Bank's Worldwide Governance Indicators,[x] indicator three, "Government Effectiveness."	Top 10 in the Organisation for Economic Co-operation and Development (OECD).	The World Bank's Worldwide Governance Indicators ranks Canada sixth among OECD countries for government effectiveness.

2010–11 Performance Summary Table: Financial Data by Program Activity

Program Activity	2009–10 Actual Spending* ($ thousands)	2010–11[5] ($ thousands)				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Management Frameworks	62,108	60,412	60,412	65,806	65,382	Government Affairs: Well-managed and efficient government operations.[6]
People Management	58,658	57,056	57,056	63,453	64,923	
Expenditure Management	31,280	30,426	30,426	33,392	30,167	
Financial Management	28,834	28,247	28,247	33,789	29,201	
Government-Wide Funds and Public Service Employer Payments	2,068,107	4,680,029	2,223,814	2,770,122	1,968,478	
Total	2,248,988	4,856,170	2,399,955	2,966,562	2,158,151	

* 2009–10 Actual Spending figures have been restated to reflect the new PAA structure. Any minor differences are due to rounding.

Program Activity	2009–10 Actual Spending* ($ thousands)	2010–11 ($ thousands)			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
Internal Services	92,569	90,120	90,120	96,760	95,829

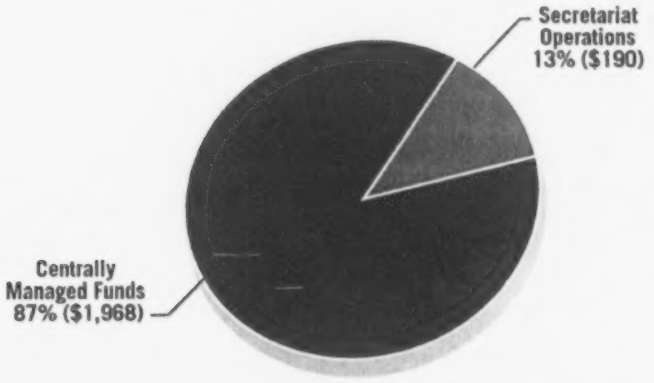
* 2009–10 Actual Spending figures have been restated to reflect the new PAA structure. Any minor differences are due to rounding.

This table provides a performance summary of all six program activities for 2010–11. For an analysis of significant variances between planned spending, total authorities and actual spending, refer to "Section II: Analysis of Program Activities by Strategic Outcome."

5. Commencing in the 2009–10 Estimates cycle, the resources for Program Activity: Internal Services are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between fiscal years.
6. This refers to the 16 Government of Canada outcome areas in the whole-of-government framework, which is available at http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx.

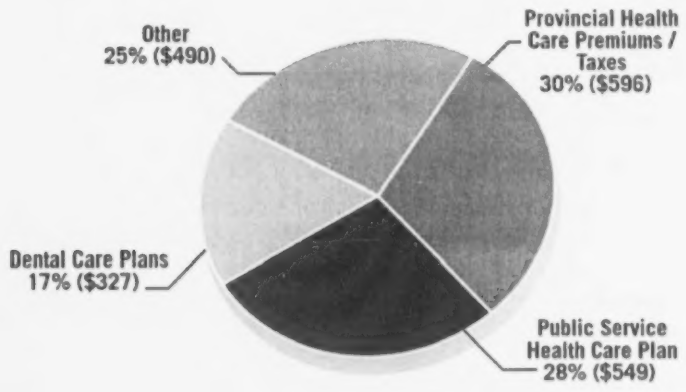
Expenditure Profile

Treasury Board of Canada Secretariat 2010–11 Actual Spending ($ millions)



The Secretariat spent a total of $2.25 billion toward achieving its strategic outcome. Only 13 per cent of total total spending represents expenditures for the Secretariat's operations. The remainder relates to funds for public service employer payments that the Secretariat manages centrally on the government's behalf.

Treasury Board of Canada Secretariat Government-Wide Funds and Public Service Employer Payments 2010–11 Vote 20 Actual Spending ($ millions)


Other 25% ($490)
Provincial Health Care Premiums / Taxes 30% ($596)
Dental Care Plans 17% ($327)
Public Service Health Care Plan 28% ($549)

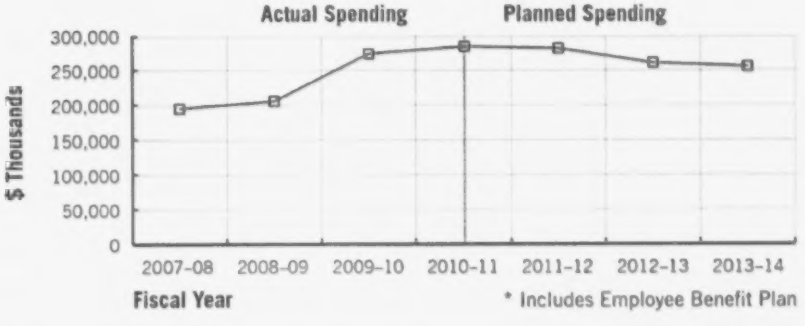
Total spending on Government-Wide Funds and Public Service Employer Payments was $1.97 billion in 2010–11. Actual spending includes payments under 17 public service insurance plans, such as the Public Service Health Care Plan, the public service and pensioners' dental care plans, payroll taxes and provincial health plans.

Canada's Economic Action Plan (EAP)

The Secretariat was directly responsible for one EAP initiative—coordinating the distribution of $20 million over the two fiscal years of the EAP, which was designed to enhance student employment across the public service. For more details, see Canada's Economic Action Plan (EAP) in Section II under Program Activity II: People Management.

Departmental Spending Trend

Spend Trend for Program Expenditures* (Vote 1)

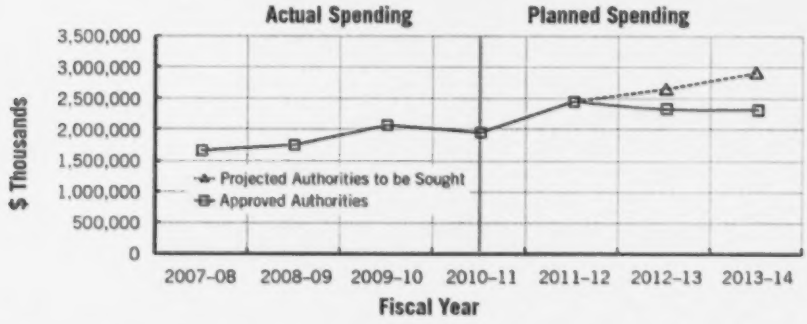


The Secretariat's actual program spending for Program Activities 1, 2, 3, 4 and 6 increased from 2007–08 to 2009–10 for the following reasons: the reconstitution of the Office of the Comptroller General; the enhancement of the Chief Information Officer Branch; the establishment of a sector to provide leadership to departments and agencies on internal and external service delivery, and grants and contributions reform; transfers to the Secretariat of programs from other departments (e.g., Regulatory Affairs and Regional Communications from the Privy Council Office and the Canada Public Service Agency); new program funding to implement the *Federal Accountability Act* and the new *Policy on Internal Audit*; and increases in collective agreement rates of pay to the Secretariat's employees.

The Secretariat's spending increased from 2009–10 to 2010–11 by $12 million in Program Activities 1, 2, 3, 4 and 6. The primary reasons were the funding for litigation management ($ 5.3 million), funding to improve financial systems and to support financial decision making in the Government of Canada ($3.4 million), funding for the ongoing management of the

classification program for the core public administration ($1.9 million), and funding for the ongoing management of the Treasury Board's employer obligations under *the Public Sector Equitable Compensation Act* ($1.3 million). The Secretariat's spending will decrease between 2011–12 and 2013–14 due to Strategic Reviews and cost containment measures announced in previous federal budgets and the sunsetting of funds for various initiatives within the Secretariat.

Spending Trend for Public Service Insurance (Vote 20)



Expenditures for public service insurance include the payment of the employer's share of insurance plans, employment insurance and other related expenses. Public service employer payments decreased from 2009–10 to 2010–11 mainly due to the premium holidays under several plans, including disability insurance, and the reduced provincial payroll taxes incurred. Planned spending amounts for 2012–13 and 2013–14 reflect currently approved funding that has yet to reflect forecasted spending. The expenditures under Treasury Board central Vote 20, which reflect the cost of public service insurance plans, are projected to increase as a result of continued demographic pressures, the increased usage of services and prescription drugs, as well as the growing per-unit cost of drugs and services. Treasury Board approval to increase planned spending for these years will be sought by 2012–13.

Estimates by Vote

For information on our organizational Votes and/or statutory expenditures, please see the 2010–11 Public Accounts of Canada (Volume II) publication. An electronic version of the Public Accounts is available on the Public Works and Government Services Canada website.[7]

7. See Public Accounts of Canada 2010, http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html.

Section II: Analysis of Program Activities by Strategic Outcome

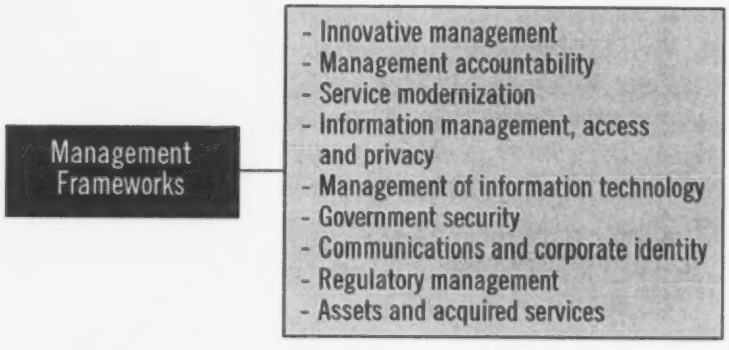
Strategic Outcome: Government is well managed and accountable, and resources are allocated to achieve results

Additional Information

Results achieved in support of the Secretariat's strategic outcome strengthen the effectiveness and efficiency of the federal government, support decision making by Parliament, Treasury Board and Cabinet, and ensure that Canadians are well served by a government that is accountable and transparent. The strategic outcome is supported by six program activities. Effective government contributes to Canada's competitive advantage, providing a strong foundation for security, stability and prosperity.

The following section describes each of the Secretariat's program activities and reports progress against their expected results, performance indicators and targets in line with the *Policy on Management, Resources and Results Structures*.[xi] This section also presents the financial and human resources for each program activity, as well as specific initiatives that represented key investments in 2010–11.

Program Activity 1: Management Frameworks



Program Activity Description

The Management Frameworks Program Activity (PA) establishes guiding principles and expectations for public sector management. It includes setting government-wide policy directions in targeted areas such as governance, regulatory management, the Management

Accountability Framework (MAF), service, information management and technology. Working with all federal organizations, the Secretariat provides leadership, challenge, and a community enablement function in areas related to policy development, compliance, performance reporting, and functional community development. This work includes new and emerging issues and priorities related to the management of the Public Service, and promoting a cultural shift in how government deals with risk and innovation. In turn, this work informs the policies in the Expenditure, Financial, and People Management program activities. This program activity is underpinned by a broad set of enabling legislation, including the *Financial Administration Act*.

2010–11 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
60,412	65,806	65,382

2010–11 Human Resources (FTEs)

Planned	Actual	Difference
480	487	7

For Program Activity 1, the increase of approximately $5 million between planned spending, total authorities and actual spending can be attributed to the subsequent approval of funding to improve financial systems and to support financial decision making in the Government of Canada, the cyber security strategy and funding provided for paylist requirements.[8] These approved funding increases supported an increased FTE usage.

Expected Results	Performance Indicators	Targets	Performance Status
Continuous improvement in the quality of public service management in the Government of Canada.	Averaged percentage improvement in overall MAF scores across departments and agencies for identified areas of weakness from previous round.	5% (end of fiscal year 2010–11)	Met all

8. Paylist funding is from centrally managed government-wide funds and supplements departmental authorities for requirements related to items such as parental and maternity allowances, and severance pay.

Performance Summary and Analysis of Program Activity

The Secretariat successfully enabled continuous improvement in the quality of public service management in 2010–11 as evidenced by the positive results of the annual MAF assessments. Results from the 46 organizations assessed in 2010–11 show that overall management performance continues to improve. These results reflect the progress made in implementing Treasury Board policies, advances in the renewal of the Treasury Board policy suite (see Section I, "Organizational Priorities") and other ongoing efforts by the Secretariat to reduce the web of rules. Results also reflect efforts to build capacity in communities of practice within the federal government, such as the financial management community (see Program Activity 4: Financial Management).

Most federal departments and agencies assessed through MAF demonstrated effective governance regimes and annual business planning processes. A growing number of organizations improved the integration of their business planning through strategic priority setting, corporate risk identification and other planning activities (e.g., investment planning). There was also improvement in financial planning processes to allow for the allocation of budgets to managers earlier in the fiscal year.

MAF assessments found that the state of IT management across government continues to improve. Most organizations have solid IT plans and are continuing to develop performance measurement frameworks. The focus of MAF has increasingly been on the management of IT-enabled projects and management of IT assets. One area where management results varied across organizations was in meeting Treasury Board expectations for the management of IT security.

International Work

Through a technical assistance program led by the Canadian International Development Agency, Secretariat officials provided support and advice on implementing a performance management tool across the Government of South Africa. The Secretariat was able to share the expertise it has gained through MAF and other related tools and processes.

While the majority of organizations have IM plans and strategies in place, MAF assessments found that the management of electronic information continues to be an area of challenge. Nevertheless, compliance with legislative Access to Information and Privacy (ATIP) requirements is improving, particularly in large organizations. Details on the Secretariat's 2010–11 MAF results for the People Management, Expenditure Management and Financial Management program activities are presented in the program activities that follow.

The Secretariat also provided expert advice internationally this year on building frameworks such as MAF to improve public sector management performance (see text box "International Work").

The Administrative Services Review emerged as a significant focus in 2010–11, to which the Secretariat made an important contribution through the Management Frameworks program activity. It conducted analysis and provided advice on options for consolidating internal and external services, and standardizing government business processes. The Secretariat also advanced a number of initiatives in preparation for implementing this review. For example, the Secretariat:

- Led a pilot project for a common people management IT platform to reduce the time and costs associated with HR;
- Created an inventory of government IT applications systems and conducted a baseline assessment of the state of aging IT across government. This will be used to drive the renewal of aging systems through an approach that balances risk, departmental investments and interdepartmental collaboration, and that factors in the opportunities for consolidation to be generated through the implementation of Administrative Service Review initiatives.
- Established a shared services liaison to work with small departments and agencies to identify common business requirements and solutions. It also advanced the Human Resources Information System, which will become the new HR system for small departments and agencies; and
- Developed, in consultation with departments and agencies, a Government of Canada model to be used for IT expenditure reporting for subsequent fiscal years. Forty-six departments and agencies used a new standardized IT expenditure model to initially report 2009–10 expenditure information to the Secretariat on IT assets, services and personnel; these departments will continue to report expenditures going forward. The standardized expenditure model makes it possible to provide the government with an expenditure baseline to inform IT management and benchmarking for the next phases of the Administrative Services Review, the Strategic and Operating Review, and Treasury Board decision making.

The Secretariat also undertook a number of initiatives to increase access to government information. As part of an expansion of Open Government announced in March 2011, the Secretariat piloted an open data portal that offers government data in more useful, machine readable formats. Over 260,000 government data sets are available free of charge to citizens, the private sector and non-government organizations to leverage in innovative and value-added ways. It also developed standards to ensure that Government of Canada websites are usable and accessible to the public, which will be launched in 2011. It continued to support new ways to manage and share knowledge within government, including the use of GCPEDIA, an internal Web-based collaborative tool (i.e., a wiki) where public service employees can upload and edit information.

The Secretariat modernized and reduced the cost of the government's online authentication services as part of its Cyber Authentication Renewal strategy by developing a Government of Canada Access Key service for electronic credential management. This service allows users—citizens and businesses—to securely access many government programs online through the use of an external online credential. The Government of Canada Access Key is an industry standards–based credential that is non-proprietary. This enables the credential to evolve with advances in technology and to be more adaptable to emerging security threats. It is also more cost-effective to operate than the previous e-pass credential. The transition to the new Access Key system was completed in December 2010 by all departments and agencies that offer online services and assured service continuity for Canadians. The transition has reduced the ongoing costs to the Government of Canada for this service by over 40 per cent. In collaboration with other jurisdictions, the Secretariat has also been contributing to the development of the Pan-Canadian Strategy for Trusted Identities.

As part of the government's cyber security strategy, the Secretariat launched a government-wide initiative aimed at improving Internet security. Recent surveys on the number of internet access points in government demonstrate that departments and agencies have made progress in consolidating and minimizing the number of Internet connections, as well as in implementing security controls. In keeping with the consolidation and renewal agenda, the next step will focus on the migration of more departmental Internet connections to a single, more robust network.

In partnership with the ATIP community, the Secretariat also made strides to recruit and retain ATIP staff who have the required competencies. Progress was achieved by developing organizational models, work descriptions and similar products for departments and agencies. The Secretariat is planning to undertake collective staffing initiatives on behalf of the ATIP and IM communities of practice in the coming year.

Important progress was made to support management excellence in federal grants and contributions (Gs and Cs) programs. Departments and agencies are transforming the management of their Gs and Cs programs through the application of risk-based and recipient-focused approaches that maximize results for Canadians. The Secretariat took measures to ensure that the *Government of Canada Action Plan to Reform the Administration of Grant and Contribution Programs* is implemented. The Secretariat's Centre of Expertise on Grants and Contributions worked with 23 departments and agencies representing 85 per cent of Gs and Cs spending. Twenty-one of these organizations have developed departmental action plans to reform their management approach to these programs. In addition, six pilot projects were undertaken to test innovative, interdepartmental delivery of Gs and Cs programs.

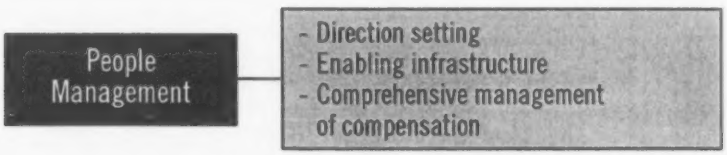
The Secretariat also worked with departments and agencies to improve the quality and content of Regulatory Impact Analysis Statements. The Secretariat's regulatory enabling function engaged organizations in over 100 projects to build capacity in the regulatory community of practice (e.g., through training in the areas of cost-benefit analysis, performance measurement and evaluation). As a result, a high percentage of medium- and high-impact regulatory proposals in 2010–11 included information on consultations, costs and benefits, and regulatory cooperation and coordination. A high percentage of high-impact proposals also addressed requirements for performance measurement and evaluation. Many proposals included specific elements aimed at limiting or reducing regulatory burden.

Lessons Learned

In response to a 2004 Capital Asset Review, the Secretariat conducted a pilot project with four federal organizations on the management of the federal government's capital assets. Its objectives were to improve the effectiveness of capital spending, improve the use of accrual accounting and transition to a more strategic and longer-term investment approach consistent with the nature of each asset.

An internal, summative evaluation of the Pilot Project for Non-Lapsing Capital Appropriations for Capital Asset Management was completed.[xii] The evaluation concluded the pilot project was able to demonstrate that non-lapsing appropriations led to better decision making on capital assets, budgets and associated resources. This was attributed to the timing in identifying carry-forward, the predictability of the availability of funds and the flexibility in adjusting project schedules and activities. In parallel with the evaluation of the pilot project, a new Capital Budget Carry Forward regime was developed that adopted the increased predictability and flexibility in capital budgeting as core tenets, fully responding to the key recommendations of the evaluation. This new carry-forward regime similarly responded to the evaluation's recommendations for a better reporting framework by closely following the Operating Budget Carry Forward, a well-established mechanism with which organizations and parliamentarians are familiar.

Program Activity 2: People Management



Program Activity Description

The People Management Program Activity (PA) supports efforts across the federal public service to achieve strong leadership and a well managed workforce and workplace. These elements provide the foundation that drives employee engagement and a culture of excellence, leading to high quality policies, programs and services and a sustained and productive public service. In certain instances this program activity includes efforts that extend beyond the core public administration to separate employers and Crown corporations. This program activity undertakes direction-setting activities that include: developing and implementing people management related frameworks and policies; setting and monitoring departmental people management performance expectations; conducting research and analysis regarding the state of people management; and supporting the effective management of the leadership cadre. The program activity also provides public service-wide leadership on managing compensation which it shares with the Expenditure Management program activity and includes: collective bargaining and associated labour relations, and establishing and maintaining the public service pension and benefits regime. The People Management program activity supports enabling infrastructure including the human resources functional community and the underlying business processes and systems, and is underpinned by legislation that includes: the *Financial Administration Act*; *Public Service Employment Act*; *Public Service Labour Relations Act*; *Public Servants Disclosure Protection Act*; *Official Languages Act*; and *Employment Equity Act*.

2010–11 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
57,056	63,453	64,923

2010–11 Human Resources (FTEs)

Planned	Actual	Difference
454	504	50

For Program Activity 2, the increase of approximately $6 million between planned spending, total authorities and actual spending is related to the subsequent approval of funding to support the ongoing management of the classification program for the core public administration, litigation management, the employer's role in the management of pensions and benefits, and paylist requirements. Temporary internal reallocations also supported the workforce adjustment measures from the 2008 Strategic Review. These approved funding increases supported additional FTEs. Actual spending exceeded total authorities due to a settlement for a litigation action.

Expected Results	Performance Indicators	Targets	Performance Status
A core public administration characterized by a culture of excellence and highly engaged employees, based on strong leadership and a well-managed workforce and workplace.	Improvement in annual employee survey responses and administrative data in the areas of engagement and culture of excellence.	Year-over-year improvement in survey and administrative results.	Not available Annual survey was not conducted. Data will be available in 2011–12, using results of the 2011 Public Service Employee Survey.
Canada's Economic Action Plan—Increase opportunities for youth employment through federal public service student employee programs.	Number of student jobs created in the federal public service corresponding to the increased investment.	1,000 additional full-time students per year of the program (2009–10 and 2010–11) at a cost of $10 million per year.	Exceeded 1,111 student jobs created in 2010–11.

Performance Summary and Analysis of Program Activity

A key accomplishment in 2010–11 was the implementation of the Treasury Board *People Management Policy Framework* and accompanying review of the people management policy suite. This successfully clarified the roles and responsibilities of the Secretariat, deputy heads and other parties within the HR community in shaping people management. The Secretariat also launched a Public Service Management Dashboard that provides deputy heads with comprehensive data—including over 200 performance measures—to support their lead responsibility and accountability for monitoring people management performance. Results from the 2010–11 MAF indicate that of the 40 departments and agencies assessed, 20 per cent improved their people management performance this year and 72.5 per cent remained stable.

Through broad consultations with public service employees, Crown corporations, separate agencies and bargaining agents, the Secretariat also developed a new Values and Ethics Code for the Public Sector and the *Policy on Conflict of Interest*. The draft code was shared with departments and agencies this year to enable them to review their internal codes of conduct.

Formal announcement and implementation of the new code is expected in 2011–12. The Secretariat also worked on developing the Leadership Development Framework to support talent management and succession planning for executives. The framework's implementation will continue into fiscal year 2011–12 and will be supported by a new electronic system for executive talent management.

Public service renewal also advanced this year through implementation of a new government-wide standard—the Common Human Resources Business Process. The process is designed to enable sharing of best practices in HR business and to increase efficiencies and consistency in HR across government. The Secretariat exceeded targets by securing 24 commitments to implement the process from departments and agencies representing 80 per cent of the core public administration. In a related effort, the Secretariat's work with four other departments to develop common HR tools through an online virtual space was recognized as an outstanding example of innovative horizontal collaboration and sharing of HR resources (see the text box "HRaid Collaboration Initiative").

HRaid Collaboration Initiative

This is an interdepartmental collaboration between the Office of the Chief Human Resources Officer and four departments (Agriculture and Agri-Food Canada, National Defence, Human Resources and Skills Development Canada and the Public Service Commission of Canada) to integrate and deliver timely solutions for HR services by using existing technology, project management and real-time communications. The initiative won a National Distinction Award at the Government Technology Exhibition and Conference.

The Secretariat achieved a milestone this year in modernizing the administration of the Public Service Health Care Plan. A new administrative services contract for administering the plan was awarded in late summer. The Secretariat successfully completed full transition to this new plan in 2010–11 through a positive enrolment process to register plan members and their dependants. A new health benefit card was introduced that allows electronic claim processing at point-of-purchase, which has reduced up-front payments for plan members. Going forward, the plan's modern management foundation will allow better overall plan management through better provision of data, greater cost containment and the leveraging of industry best practices. Eighty-two per cent of public service employees have enrolled in the new electronic processing to date, and efforts will continue to ensure that all plan members enrol.

Major progress was also made in improving engagement with active and retired federal public service employees who are pension and benefit plan members. The Secretariat continued to address knowledge gaps by regularly adding information to the public service pension and benefits Web portal. In addition, the Annual Report on the Public Service Pension Plan was redesigned in 2010 and rewritten in plain language to better engage and inform plan members about their pension plan.

To assist departments and agencies in efficiently managing their operations within the financial parameters of Budget 2010, the Secretariat proactively worked with bargaining agents to renew collective agreements covering over 95,000 employees. This early engagement enabled greater financial certainty and cost predictability for departments and agencies this year. This process also resulted in discontinued retirement and resignation severance pay accumulation in line with the private sector.

To further support mitigating risks and help defend the Government of Canada's interests, the Secretariat established a litigation management unit for employment- and labour-related litigation. The unit is responsible for the coordination, oversight and management of the Secretariat's involvement in litigation.

A strategic plan for public service workforce classification was developed and is being implemented as part of the Occupational Group Structure review. This work includes examining options for how the classification function will support implementation of the *Public Sector Equitable Compensation Act*. An organizational readiness and review exercise was also completed with deputy heads to strengthen links between business mandates and occupational group structures and to determine how the Secretariat can support deputy heads in this process.

The Secretariat strengthened the governance of HR by establishing a new HR governance model that crystallizes deputy heads' direct authority for labour relations, classification grievances, human rights and staffing complaints. Departments and agencies now have clear authority to appear before the Public Service Labour Relations Board and the Public Service Staffing Tribunal without the Secretariat's representation. The Secretariat's role in recourse was clarified through a people management working group that identified criteria for the Secretariat's level of involvement in cases. Tool kits to help departments and agencies build capacity in this area were developed and shared on the internal GCForums website.

In the new HR governance structure, departmental and agency Labour Management Consultation Committees (LMCCs) are an important forum for ensuring that deputy heads and bargaining agents work collaboratively to resolve workplace issues. The Secretariat and bargaining agents co-developed a new self-assessment tool and resource kit that will assist organizations to increase the effectiveness of their LMCCs. The National Joint Council, comprised of both employer and bargaining agent representatives, successfully worked together to revise the *Occupational Health and Safety Directive*, the *Work Force Adjustment Directive* and the *Commuting Assistance Directive*, which have all been implemented across the public service.

A governance review of the three National Employment Equity Councils was also completed in 2010–11. As a result, a new governance model based on a Champions and Chairs Committee structure will be implemented in 2011–12 for each of the employment equity groups.

Another important milestone for the Secretariat was the creation and launch of *Managing for Wellness—Disability Management Handbook for Managers in the Federal Public Service*. This resource provides direction on the proactive management of disabilities across the public service for all employee groups at all levels. Through an ongoing Disability Management Initiative involving key departments and agencies and employee representatives, the Secretariat will continue to provide resources and advice to deputy heads for more effective disability management in the federal public service.

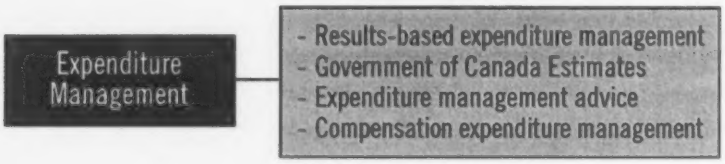
Canada's Economic Action Plan (EAP)

In addition to its leadership role in supporting EAP implementation, the Secretariat was responsible for a two-year EAP initiative designed to increase opportunities for youth employment through existing public service student programs. Approximately 45 departments and agencies participated in this initiative, hiring some 2,200 additional students over the two years, which represented a federal government investment of $20 million. In 2010–11, the second year of the initiative, the Secretariat successfully coordinated and distributed $10 million of the EAP investment, which enhanced full-time student employment in the federal public service by over 1,000 additional jobs. The Secretariat participated in the program, as well, by allocating approximately $48,000 in 2010–11 to hire additional students within the department.

Lessons Learned

A central role of the Secretariat is to manage the public service pension and benefits regime, which includes the Public Service Disability Insurance Plan. This plan provides its members with benefits to replace a portion of earnings lost as a result of an extended period of disability.[xiii] This year, an internal audit of the management of the Public Service Disability Insurance Plan was conducted. The audit recognized that the management of this plan is complex and that while there are key elements in place to support activities related to the plan, there are opportunities for improvement. The Secretariat is taking action to update roles, responsibilities and authorities, and ensure that risk management, monitoring and reporting activities are systematic and formalized. In addition, the Secretariat is developing HR strategies to recruit and retain individuals with the appropriate skills to administer the plan.

Program Activity 3: Expenditure Management



Program Activity Description

The Expenditure Management Program Activity (PA) helps ensure alignment of resources to achieve government priorities in a way that maximizes value for money and provides a whole-of-government perspective on matters related to direct program spending. Working with all federal organizations that are subject to budget appropriation, this program activity undertakes the review, analysis, and challenge of plans and proposals involving departmental spending, expenditure forecasting and strategies, compensation management, and results-based management. This work, as well as the production of government Estimates documents and reporting to Parliament, is facilitated by the Expenditure Management Information System. This program activity forms part of the Expenditure Management System, the framework for the development and implementation of the Government's spending plans and priorities within the limits established by the Budget, which is implemented in coordination with the Department of Finance and the Privy Council Office. The primary piece of legislation underpinning the program's activities is the *Financial Administration Act*.

2010–11 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
30,426	33,392	30,167

2010–11 Human Resources (FTEs)

Planned	Actual	Difference
241	261	20

For Program Activity 3, the increase of approximately $3 million between planned spending and total authorities is largely related to the subsequent approval of funding to administer the Government of Canada Public Service Readiness Plan and paylist requirements. This new approved funding supported increased FTE usage. Actual spending was less than total authorities due to delays in project funding and slippage in anticipated contract activity.

Expected Results	Performance Indicators	Targets	Performance Status
Sound analysis of financial and non-financial information to support decision making on allocating funds to achieve priorities and provide value for money (for program expenditures).	Percentage of direct program spending reviewed per year through the Strategic Review process. (Data source: Strategic Reviews)	100% (over a four-year cycle)	Mostly met[9] 98% of direct program spending reviewed.
	Main Estimates and Supplementary Estimates tabled in accordance with the times set out in the parliamentary calendar. (Data source: Hansard)	As required	Met all

Note: Program sub-activity indicators and targets are presented in this table because the program activity indicators were undergoing review in 2010–11.

Performance Summary and Analysis of Program Activity

This year concluded the four-year Strategic Review cycle of federal organizations including departments, agencies and Crown corporations that receive appropriations (i.e., public money) from Parliament and are required to undertake a Strategic Review of their direct program spending. Sixty-seven federal organizations accounting for 98 per cent of direct program spending were subject to a Strategic Review over the four-year cycle, which resulted in identifying approximately $2.8 billion in annual ongoing savings by 2013–14.

In 2010–11, the Secretariat successfully reviewed 13 organizations and $35 billion in direct program spending. It played an enabling role in supporting departments and agencies in preparing their Strategic Review assessments and in presenting their information to the Treasury Board. This work resulted in the reallocation of $1.6 billion to higher government priorities. The Main and Supplementary Estimates were tabled in accordance with the supply cycle; however, Supplementary Estimates C and the Interim Supply Bill for 2011–12 had not yet received royal assent when Parliament dissolved on March 26, 2011. The Secretariat, therefore, led an exercise to address year-end expenditure requirements and prepare for the use of Governor General Special Warrants effective April 1, 2011.

9. Federal organizations including departments, agencies and Crown corporations that receive appropriations (i.e., public money) from Parliament were required to undertake a Strategic Review of their direct program spending and the operating costs of their major statutory programs. Over the first four-year cycle of Strategic Reviews, departments accounting for 98 per cent of direct program spending were subject to a Strategic Review. Numerous small organizations and other organizations with minimal appropriations account for the remaining 2 per cent and were not required to undertake a Strategic Review.

Significant advancement of this program activity was aided by key expenditure management activities throughout the year. The Secretariat strengthened results-based expenditure management across government by continuing to implement the *Policy on Evaluation*. Advice and guidance materials were provided to departments and agencies to advance the quality and use of evaluation information in decision making. For example, these include *A Guide to Developing Performance Measurement Strategies*, guidance on the Departmental Evaluation Committee and a workshop to share best practices for evaluating low-risk programs and departmental reporting on performance measurement. Efforts also included drafting the Guide to Developing a Departmental Evaluation Plan and the Competency Profile for Federal Public Service Evaluation Professionals. These products are expected to be released in 2011–12.

The Secretariat also assisted departments and agencies by monitoring the implementation of the 2010 Budget operating budget freeze. Guidelines on implementing budget measures were sent to departments, agencies and Crown corporations, and deputy heads were regularly invited to discuss issues related to the operating budget freeze and share best practices. Moreover, in compliance with the budget announcement, organizations' operating budgets were adjusted to account for funding that had already been provided to compensate for the salary increases taking effect during the freeze period, but approved before the budget announcement.

A number of outreach activities were offered this year to enable departments and agencies to continue implementing the *Policy on Management, Resources and Results Structures* (MRRS) and improving the quality and use of their performance information. As a result of more than 100 meetings and presentations as well as instruction through the Canada School of Public Service, the percentage of PAAs rated "acceptable" or higher rose from 85 per cent to 92.5 per cent. It is clear from the Secretariat's internal assessments of Performance Measurement Frameworks that federal organizations are continuously improving their measurement regimes. This suggests that there is increased ability government-wide to identify and monitor performance indicators and report on how resources are achieving results.

Important progress was also made on improving departmental planning and performance reports to Parliament, including reporting on the EAP. The Secretariat provided a suite of guidance tools for developing Departmental Performance Reports (DPRs) and Reports on Plans and Priorities (RPPs), including a good practices handbook on performance reporting. These efforts contributed to this year's MAF rating of 97 per cent of departments and agencies as "acceptable" or higher in the quality of their performance reporting. In fact, average scores for performance reporting have been steadily increasing from 74 per cent in 2008–09 to 81.5 per cent in 2009–10 and 83 per cent in 2010–11. In addition, the Secretariat completed 12 rounds of EAP monthly financial reporting throughout the 2010–11 fiscal year for over 40 departments, agencies and Crown corporations to support the preparation of the government's reports to Canadians on the EAP.

The Secretariat also provided research and analysis on executive-level total compensation to the federal government's Advisory Committee on Senior Level Retention and Compensation. Compensation was aligned with the principles of the *Policy Framework for the Management of Compensation* while complying with the *Expenditure Restraint Act*. In addition, several analyses of recruitment, retention and job groups were completed to assist the drafting of regulations for the *Public Sector Equitable Compensation Act*.

Lessons Learned

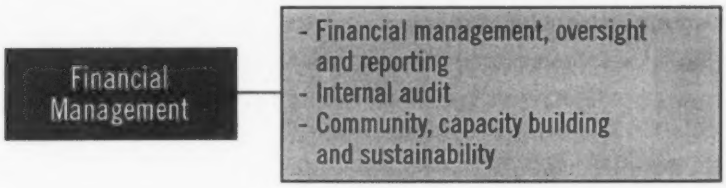
Since 2007, the Secretariat has reviewed organizations' spending on a cyclical basis to identify the lowest priority and the lowest performing programs to free up at least 5 per cent of direct program funding for higher government priorities. Over the four-year cycle, the Secretariat implemented numerous improvements to the process, such as improved guidance for review organizations, a more tailored approach to the reviews for organizations of different sizes and complexity, a streamlined reporting structure and clarifications on sunset funding. This research and analysis, coupled with the Secretariat's experience in supporting the Strategic Reviews, position the department well to coordinate the development of the government-wide Strategic and Operating Review for 2011–12.[10]

In response to the recommendations of the House of Commons Standing Committee on Public Accounts, the Secretariat in consultation with departments and agencies provided a standardized template and table of contents for the 2010–11 DPR. These modifications are expected to enhance the comparability and usability of reporting documents for parliamentarians and other readers. The Canada's Performance report will also be enhanced following government-wide consultations and feedback.

Based on the positive impact of the Good Practices Handbook on Performance Reporting this year, the Secretariat is now working with departments and agencies to share good practices using MRRS performance measurement information through a Web 2.0 interactive environment. Internally, the Secretariat is strengthening the use of performance and evaluation information in expenditure decisions by implementing the use of a new template to ensure that new spending in Memoranda to Cabinet is linked to the results of existing spending. These efforts ensure that Treasury Board submissions clearly outline the impact of proposals on existing departmental program activities.

10. In Budget 2011, the government signalled its intention to undertake a one-year Strategic and Operating Review across all government departments and agencies in fiscal year 2011–12. This initiative was announced in Budget 2011 on March 22, 2011. The budget did not pass and Parliament was dissolved on March 26, 2011. The Strategic and Operating Review was confirmed in Budget 2011 on June 6, 2011.

Program Activity 4: Financial Management


Financial Management
- Financial management, oversight and reporting
- Internal audit
- Community, capacity building and sustainability

Program Activity Description

The Financial Management Program Activity (PA) promotes good financial management practices across government to ensure financial activities are carried out effectively and efficiently. Working with all federal organizations, the Secretariat delivers on this role by:

- Developing financial management, accounting, transfer payment and internal audit policies, directives and standards;
- Assisting departments by providing leadership, policy advice and guidance; setting performance expectations and monitoring performance;
- Capacity building and community development within the functional communities;
- Planning horizontal audits and conducting audits of small departments and agencies;
- Providing financial oversight and reporting; and
- Advising central agencies and departments on financial authority issues associated with the *Financial Administration Act* and *Appropriation Acts*, the primary pieces of legislation underpinning the Financial Management program activity.

2010–11 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
28,247	33,789	29,201

2010–11 Human Resources (FTEs)

Planned	Actual	Difference
222	168	-54

For Program Activity 4, the increase of approximately $5 million between planned spending and total authorities is related to the subsequent approval of funding to improve financial systems and to support financial decision making in the Government of Canada and funding for paylist requirements. Actual spending was below total authorities due to slippage in anticipated contract activity, project delays and internal reallocations to address emerging priorities within the Secretariat. These last two events contributed to the underutilization of FTEs.

Expected Results	Performance Indicators	Targets	Performance Status
Effective financial management function in the Government of Canada.	Improving content and timeliness of public financial reporting. (Data source: Public Accounts)	Clean audit opinion (annually).	Met all

Performance Summary and Analysis of Program Activity

In 2010–11, the Secretariat brought into effect the new *Policy on Financial Resource Management, Information and Reporting* and the *Policy Framework for Financial Management*. The Secretariat also continued its progress in enabling departmental implementation of the new financial management policies, with particular focus on the *Policy on Internal Control* and its phased implementation. Under this policy, which came into effect in April 2009, well-managed internal controls over financial reporting are seen to be foundational for effective and strengthened financial management across government. In 2010, the first public reports were produced demonstrating progress in assessing the effectiveness of these controls in the first group of departments and agencies to implement this policy. Over the following two years, the remaining departments and agencies will produce their own public reports on the results of their assessments and related action plans. The focus on internal controls has meant that additional capacity was needed across departments and agencies to implement the policy. To address this, the Secretariat continues to support the exchange of best practices and the development of tools, guidelines and communications products for the financial management community.

Following from the 2009 and 2010 budget caps, the Secretariat also developed and implemented a new *Directive on the Management of Expenditures on Travel, Hospitality and Conferences*, which came into effect on January 1, 2011. This directive emphasizes the importance of managing these activities in a way that demonstrates value for money and uses the most economical options to minimize costs, wherever possible. It also strengthens accountabilities by introducing a new reporting regime to annually disclose departmental expenditures in these areas. As part of the implementation of the directive, the Secretariat provided policy interpretation assistance to departments and agencies, and developed a reporting template and guidance to assist organizations with the first wave of departmental reports in the fall of 2011.

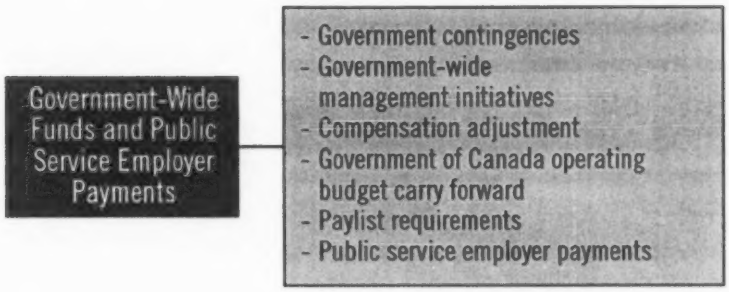
The implementation of the *Policy on Internal Audit* has shown that a phased-in approach to achieve compliance with policy requirements was effective. MAF assessments have demonstrated consistent improvements in departments and agencies' internal audit governance structures and the health of the internal audit function. These functions, including departmental audit committees, have reached a stage of maturity across government whereby they are contributing to improvements in departmental governance, risk management and control processes. In addition, there is greater consistency and quality in internal audit practices government-wide. The Office of the Auditor General of Canada has publicly stated that it can increasingly rely on the internal audit work undertaken by departments, agencies and the Secretariat. Further, the roles and responsibilities of the Small Departments and Agencies Audit Committee have been streamlined, and following on a successful pilot, core control audits are now being implemented across all small departments and agencies. The Secretariat is also now able to use information (i.e., objectives, findings and recommendations) from completed reports on internal audit engagement to better ascertain government-wide risks and trends.

An evaluation of the *Policy on Internal Audit*, completed in 2011, concluded that implementation has largely been positive to date. Real progress has been made in developing and strengthening the function across government. Senior managers see that internal audit provides advice which is integral to good management and that audits increasingly contribute to decision-making processes in departments and agencies. Notable examples include improved departmental risk management frameworks, strengthened accountability frameworks to support financial management and reporting, and improved governance, risk management practices and controls over contracting, procurement and the stewardship of assets.

Lessons Learned

The 2009 Chief Financial Officer (CFO) Environmental Scan identified a number of priority areas specifically related to financial management. In particular, CFOs voiced a desire to see better use of existing enterprise financial management systems for resource planning, as well as improvements to supporting processes and data. Inefficiencies in these areas, they indicated, are leading to augmented operational costs and challenges in resource capacity. In response to these concerns, the Secretariat has implemented three cornerstone initiatives designed to help departments and agencies standardize financial management processes, data and system configuration. The intent is to establish enterprise-wide common practices in all key areas. The results will provide better enterprise financial management through enhanced financial system practices, improved knowledge management and reduced complexity.

Program Activity 5: Government-Wide Funds and Public Service Employer Payments


Government-Wide Funds and Public Service Employer Payments
- Government contingencies
- Government-wide management initiatives
- Compensation adjustment
- Government of Canada operating budget carry forward
- Paylist requirements
- Public service employer payments

Program Activity Description

The Government-Wide Funds and Public Service Employer Payments Program Activity (PA) accounts for funds that are held centrally to supplement other appropriations, from which payments and receipts are made on behalf of other federal organizations. These funds supplement the standard appropriations process and meet certain responsibilities of the Secretariat as the employer of the federal public service. The administration of these funds falls under the Expenditure Management and People Management program activities, but their financial resources are shown separately in the Program Activity Architecture (PAA) for visibility and reporting purposes.

2010–11 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
2,223,814	2,770,122	1,968,478

2010–11 Human Resources (FTEs)

Planned	Actual	Difference
-	-	-

Program Activity 5 involves the Secretariat's administration of centrally managed government-wide funds on behalf of other departments and agencies. Of these funds, $2 billion relates to public service employer payments. Variances between planned, total and actual spending are not a reflection of the Secretariat's performance, and performance analysis is not required.

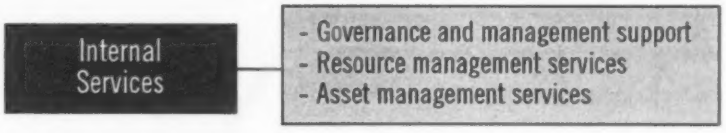
Expected Results	Performance Indicators	Targets	Performance Status
Payments and receipts, held centrally by the Secretariat, are made on behalf of other federal government departments and agencies in an administratively sound and efficient manner.	Payments are made as appropriate and on time.	Payments made as required (end of fiscal year 2010–11).	Met all

Note: The human resources associated with this program activity are included in others; however, the financial resources are shown separately in the PAA for visibility and reporting purposes.

Lessons Learned

The Secretariat has assessed financial processes and internal controls relating to employer payments and receipts, and has identified opportunities for improvement. As part of its response to these opportunities, the Secretariat began working with its stakeholders early in 2011 to refine its internal processes for preparing projections of employer payments related to group insurance and benefit programs. It will continue this process throughout the year.

Program Activity 6: Internal Services



Program Activity Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are:

- Management and Oversight Services;
- Communications Services;
- Legal Services;
- Human Resources Management Services;
- Financial Management Services;
- Information Management Services;
- Information Technology Services;

- Real Property Services;
- Materiel Services;
- Acquisition Services; and
- Travel and Other Administrative Services.

Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

2010–11 Financial Resources ($ thousands)

Planned Spending	Total Authorities	Actual Spending
90,120	96,760	95,829

2010–11 Human Resources (FTEs)

Planned	Actual	Difference
716	740	24

For Program Activity 6, the increase of approximately $7 million between planned spending and total authorities can be attributed to the subsequent approval of funding for litigation support, data centre repairs, cyber threat remediation and paylist requirements. Actual spending was below total authorities due to delays in litigation activities. These funds also supported more actual FTEs due to increased staffing requirements in the areas of human resources, information management and information technology, accommodation and contract management.

Although expected results are not required for internal services under the *Policy on Management, Resources and Results Structures*, the Secretariat identified and monitored key initiatives that support the Internal Services program activity to ensure that resource management, governance and management support, and asset management services are effectively aligned to priorities and program activities.

Performance Indicators	Performance Status
Enhance integrated business planning by improving linkages between operational activities, financial and human resource requirements, and supporting functions such as IM and IT activities.	Met all
To support enhanced financial controls, the Secretariat is one of the first departments to implement the new *Policy on Internal Control*. Furthermore, the Secretariat is introducing annual controls assessments and action plans, and will continue to work to sustain a controls-based audit.[11]	Met all
Continue to improve HR operations by: • implementing common HR business processes; • expanding the use of shared services and systems; • providing training and support to employees in adapting to their role as "enablers;" and • fully implementing changes to the Office of the Chief Human Resources Officer.	Met all
Finalize the IM/IT plan for the next three years, which will incorporate changes related to Treasury Board policies and directives, data centre consolidation, and updates to key applications.	Met all
Periodically test the readiness of the newly developed Business Continuity Plan (BCP) to ensure that the Secretariat is able to support government-critical services despite business disruptions. The new BCP will enable the Secretariat to withstand hazards to its business activities, such as pandemics, utility failures, or infrastructure outages.	Mostly met

Performance Summary and Analysis of Program Activity

In 2010–11, the Secretariat enhanced its integrated business planning process by introducing a new three-year planning horizon that is more comprehensive and facilitates better forecasting of operational activities. This transition was supported by an integrated guide and information sessions on how to improve links between financial and HR requirements, IM and IT, and other internal services to achieve results. Also, regular planning meetings and feedback exercises were held to support the new three-year approach. As a result, internal services are better positioned to plan for the Secretariat's resource requirements, and greater departmental awareness exists about the importance of planning for areas such as integrated risk management and performance measurement. Significant efforts were made to maximize the Secretariat's planned and actual spending through in-year reallocation. A robust quarterly expenditure reporting process, coupled with earlier forecasting and analysis, led to more effective spending of allotted funding in the Secretariat's Vote 1 appropriation.

11. To align with the *Policy on Internal Control*, the term "auditable financial statements" has been changed to "controls-based audit."

The Secretariat completed implementation of the internal control improvements that had been recommended by an external review of its departmental business processes related to departmental operating expenditures (Vote 1). As a result, the Secretariat is now ready to sustain a controls-based audit related to these processes. As the manager of government-wide funds and public sector employer payments, the Secretariat made significant progress on further documenting the detailed processes and internal controls around several large employee benefit plans. Reviews were initiated on the business processes around the Public Service Health Care Plan, the Public Service Disability Insurance Plan and the Public Service Dental Care Plan. The documentation and assessment of these plans will be completed in fiscal year 2012–13. The Secretariat also made significant progress in developing a risk-based internal control framework and enhanced ongoing monitoring activity of internal controls.

In addition, the Secretariat expanded its internal evaluation unit that supports the Secretariat in meeting the requirements of the *Policy on Evaluation*, which took effect in April 2009. By conducting internal evaluations, senior management is provided with information on the relevance and performance of the Secretariat's programs, which assists in decision making.

Important work was done this year to improve internal HR operations. The Secretariat took action on capacity issues by implementing a three-year HR recruitment and staffing strategy, as well as an integrated HR plan. These plans will help the Secretariat hire and develop people with the right mix of skills, knowledge and competencies to deliver its unique mandate. The Secretariat's implementation of the Common Human Resources Business Process has also been elevating the effectiveness and efficiency of its internal HR processes.

The Secretariat also improved HR operations by implementing a standardized orientation kit for all new employees and introduced resources for courses in areas such as conflict resolution and in developing soft skills to help Secretariat employees become better enablers. The Secretariat also strengthened its competency-based career development programs for several job classifications. The Secretariat's MAF assessment noted that it is demonstrating excellence in people management in the areas of official languages and employment equity.

During 2010–11, the Secretariat finalized a three-year strategy that identifies the key integration points for IM and IT in the Secretariat's work, which will ensure priority planning of business objectives enabled by IM and IT. This year, business needs were identified and validated through the Secretariat's governance structure. Future IM and IT projects were prioritized, and the implementation of the strategy, including governance and reporting, will continue in 2011–12.

In response to the risk identified in the Corporate Risk Profile relating to emergency preparedness, the Secretariat made significant progress in its emergency management programs. A departmental Business Continuity Plan was approved and posted for employees on the Secretariat's information site; testing of the plan will begin in 2011–12. In addition, sectors concentrated on finalizing specific sector business continuity plans. Processes were initiated to improve communication among all Secretariat satellite offices, and work began on the development of a Strategic Emergency Management Plan. Each of these elements will improve the Secretariat's ability to meet critical business requirements when responding to emergency situations in the future.

Lessons Learned

One of the major challenges faced by internal services during the fiscal year was a significant cyber attack on the departmental network. The unauthorized access to the Secretariat's IT system highlighted the need for an ongoing, robust and integrated security strategy for the department. The increase in cyber attack activities in general, and more persistent attacks on governments in particular, is expected to continue in the future. The Secretariat will significantly reduce the impact of such attacks by implementing a layered defence of technology-based systems along with strong internal policies and procedures.

Summary of Canada's Economic Action Plan Initiative

The Secretariat was directly responsible for one EAP initiative—coordinating the distribution of $20 million over the two fiscal years of the EAP, which was designed to enhance student employment across the public service. For more details, see Canada's Economic Action Plan (EAP) in Section II under Program Activity II: People Management.

Section III: Supplementary Information

Financial Highlights

The financial highlights presented in this section are drawn from the Secretariat's financial statements. The financial statements are prepared in accordance with Treasury Board accounting policies, which are consistent with generally accepted accounting principles for the Canadian public sector.

The Secretariat's assets mainly constitute accounts receivable from other government departments and agencies, whereas its liabilities are mainly for accounts payable to these government organizations, as well as for payables related to the employer's share of public service insurance. The expenses include approximately $1.96 billion for government-wide programs such as the employer's share of the Public Service Health Care Plan, the Public Service Dental Care Plan, and other insurance and pension programs. Revenues consist mainly of government-wide parking revenues.

Condensed Statement of Financial Position
As at March 31, 2011 ($ thousands)

	% Change	2010–11	2009–10
Total assets	-45.0%	497,500	904,988
Total liabilities	-5.6%	578,466	613,038
Equity of Canada	-127.7%	(80,966)	291,950
Total	-45.0%	497,500	904,988

The decrease of $407 million in total assets is related to a decrease of $112 million in the Due from the Consolidated Revenue Fund account and a decrease in $305 million in receivables. The decrease in the Due from the Consolidated Revenue Fund account reflects the introduction of the pay-direct drug card for public service health care claims. This more expeditious charging reduces the need for the use of the Due from the Consolidated Revenue Fund account at year-end. Almost all of the decrease in receivables (i.e., $300 million) is related to year-end adjustments for other government departments' share of employee benefit plans, such as the *Public Service Superannuation Act*. Most of these receivables from other government departments are cleared within the first two months of the new fiscal year.

The decrease in total liabilities of $35 million is mostly attributable to a decrease in accounts payable outstanding as at March 31 to external parties for the Public Service Health Care Plan, the Public Service Dental Care Plan and the Pensioners' Dental Services Plan.

The overall changes in total assets and total liabilities are then reflected in the Equity of Canada.

Condensed Statement of Operations
For the year ended March 31, 2011 ($ thousands)

	% Change	2010–11	2009–10
Total expenses	-4.0%	2,273,188	2,367,586
Total revenues	-0.8%	16,323	16,447
Net cost of operations	-4.0%	2,256,865	2,351,139

The decrease in total expenses is attributable mostly to decreases in costs for the various health, dental and insurance plans, and related provincial health care premiums and taxes. These are one-time decreases related to premium holidays in 2010–11 and one-time expenditures in 2011–12. Although these expenses are for public servants across all departments and agencies, the costs are recorded by the Secretariat.

Financial Statements

The complete Treasury Board of Canada Secretariat Financial Statements for the Year Ended March 31, 2011, which include the Statement of Management Responsibility Including Internal Control Over Financial Reporting and its Annex for fiscal year 2010–11 can be found on the Secretariat's website.[xiv]

List of Supplementary Information Tables

All electronic supplementary information tables found in the *2010–11 Departmental Performance Report* can be found on the Treasury Board of Canada Secretariat website.[12]

- Green Procurement
- Internal Audits and Evaluations
- Response to Parliamentary Committees and External Audits
- Sources of Respendable and Non-Respendable Revenue
- User Fees Reporting

12. See 2010–11 Part III—Departmental Performance Reports (DPR): Supplementary Information (Tables), http://www.tbs-sct.gc.ca/dpr-rmr/2010-2011/info/info-eng.asp.

Section IV: Other Items of Interest

Organizational Contact Information

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Toll free: 1-877-636-0656
TTY: 613-957-9090
Facsimile: 613-941-4000

Additional information

The following item of interest is available on the Secretariat's website:

- Appendix A—Secretariat Centrally Managed Votes Under Program Activity 5: Government-Wide Funds and Public Service Employer Payments

Endnotes

i. *Financial Administration Act*, section 11(1), http://laws-lois.justice.gc.ca/eng/acts/F-11/page-7.html#h-9

ii. 2010 Fall Report of the Auditor General of Canada, http://www.oag-bvg.gc.ca/internet/English/parl_oag_201010_01_e_34284.html

iii. *Policy on Financial Resource Management, Information and Reporting*, http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=18796&section=text

iv. *Standard on Quarterly Financial Reports for Crown Corporations*, http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=18789&section=text

v. TBS Management Accountability Framework, http://www.tbs-sct.gc.ca/maf-crg/index-eng.asp

vi. Open Data Pilot Project, http://www.data.gc.ca/default.asp?lang=En&n=F9B7A1E3-1

vii. Tackling the Web of Rules, http://www.tbs-sct.gc.ca/reports-rapports/wr-lr/index-eng.asp

viii. Policy Suite Renewal, http://www.tbs-sct.gc.ca/prp-pep/Index-eng.asp

ix. Treasury Board of Canada Secretariat *2010-2011 Report on Plans and Priorities*, http://www.tbs-sct.gc.ca/rpp/2010-2011/inst/tbd/tbd00-eng.asp

x. Worldwide Governance Indicators, http://info.worldbank.org/governance/wgi/index.asp

xi. *Policy on Management, Resources and Results Structures*, http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=18218

xii. *Summative Evaluation of the Pilot Project on Non-Lapsing Appropriations for Capital Asset Management*, http://www.tbs-sct.gc.ca/report/orp/2010/summeval-evalsomm-eng.asp

xiii. Disability Insurance Plan at a Glance, http://www.tbs-sct.gc.ca/hr-rh/bp-rasp/benefits-avantages/dip-rai/overview-contexte-eng.asp

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